

DOJ Sues to Stop Fraudulent and Deceptive Practices by Developer of Dover “55-Plus” Community

The Delaware Department of Justice has filed suit against the developer of The Villages of Noble’s Pond, an 879-lot “55-plus” community in Kent County, for numerous violations of the Consumer Fraud Act, the Deceptive Trade Practices Act, and other Delaware laws protecting consumers against unlawful and predatory behavior.

Attorney General Kathy Jennings announced the filing of the civil complaint in the Court of Chancery, which charges the developer, Regal Builders, LLC, its president, Harry Miller, and related entities with making misleading and deceptive statements in its advertising to prospective homebuyers, and failing to provide disclosures required to prospective home purchasers under Delaware law.

According to the complaint, Regal Builders requires home buyers to agree to deed restrictions that contain confusing and unintelligible provisions, misrepresent and omit material facts, and include impermissible terms and conditions, all in violation of Delaware law. The complaint also alleges that the developer violated Delaware law by forcing residents to buy telecommunications and propane services through companies owned by the developer, often at a substantial markup. Finally, the complaint alleges that Regal Builders falsely portrays the community’s clubhouse as a community amenity, when, in fact, the clubhouse is privately owned and residents cannot participate in its management.

“My office initiated its investigation after receiving dozens

of complaints from homeowners, many of them seniors, who did not receive what had been advertised to them when they were purchasing their homes,” Attorney General Jennings said. “When a developer engages in such wide scale conduct to take advantage of homebuyers, that is the time for legal action by our department on behalf of consumers. The purchase of a home is often the most consequential financial decision one can make; Delawareans should be able to choose their future residence without fear that a developer is misleading them about the community in which they will live.”

The State asks the Court of Chancery to halt Regal Builders’ deceptive advertising and sale practices, compel the company to provide all statutorily-mandated disclosure to prospective homebuyers, and remove confusing and unlawful provisions from the community’s deed restrictions. The complaint also asks that homeowners be allowed to have meaningful choices in utility service providers, that the developer be prohibited from collecting certain clubhouse fees so long as the clubhouse remains privately owned, and that the Court award restitution and civil penalties.

In addition to Regal Builders and Harry D. Miller III, the complaint names Galaxy Networks, LLC, County Propane of Delmarva, LLC, and a variety of other entities Miller owns, manages, or controls, as defendants.

A copy of the complaint is available [here](#).

This matter is being handled for Attorney General Jennings’ Consumer Protection Unit by Deputy Attorneys General David Weinstein and Michael Clarke, Special Investigator Robert E. Schreiber, Jr., and Paralegal Angela L. Williams. Common Interest Community Ombudsman Christopher J. Curtin also provided substantial assistance.